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MANAGEMENT AUDIT REPORT

of the

PUBLIC UTILITIES AND TRANSPORTATION DEPARTMENT

Piper, C. Erwin
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Communication
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by

C. Erwin Piper
City Administrative Officer

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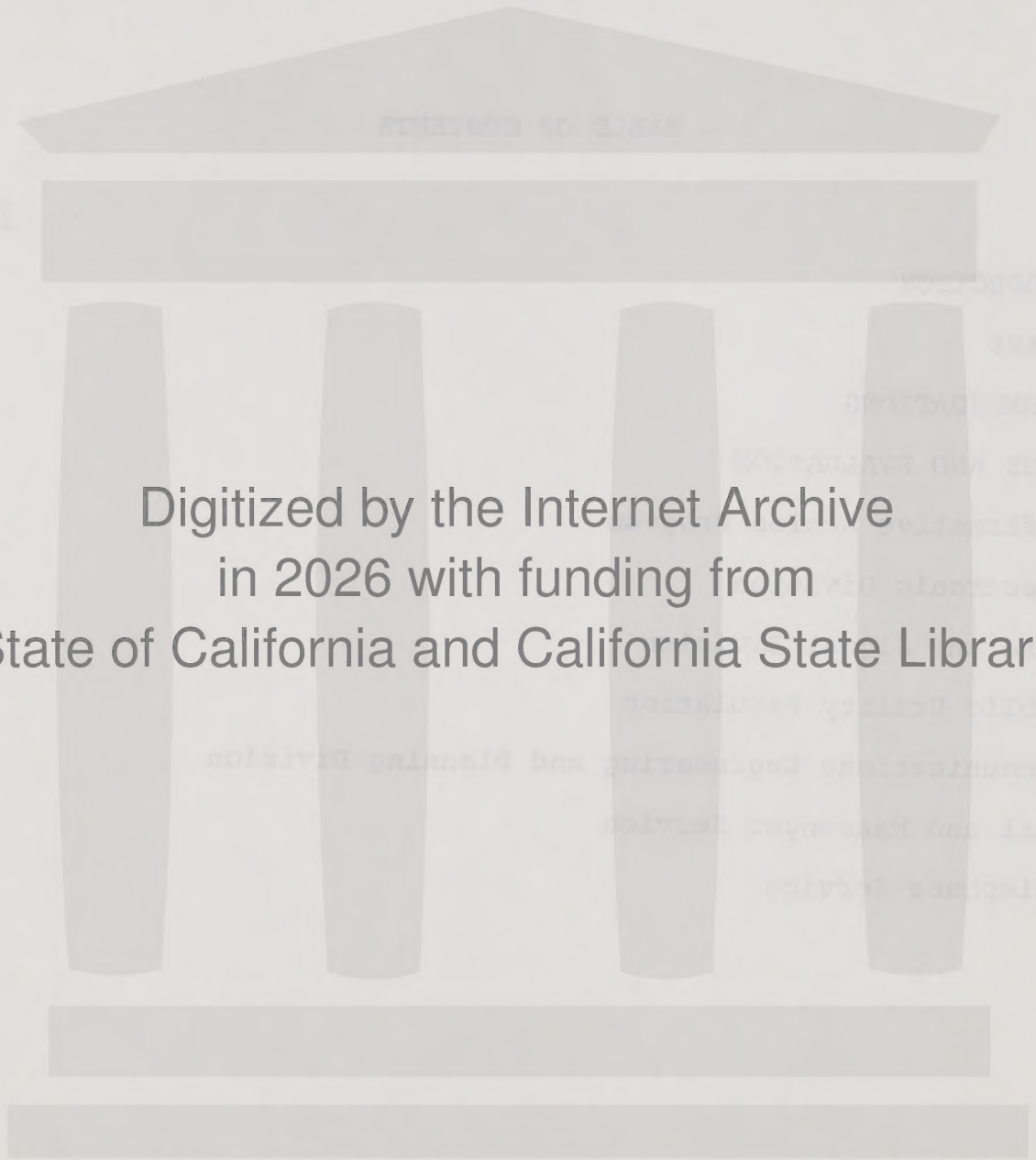
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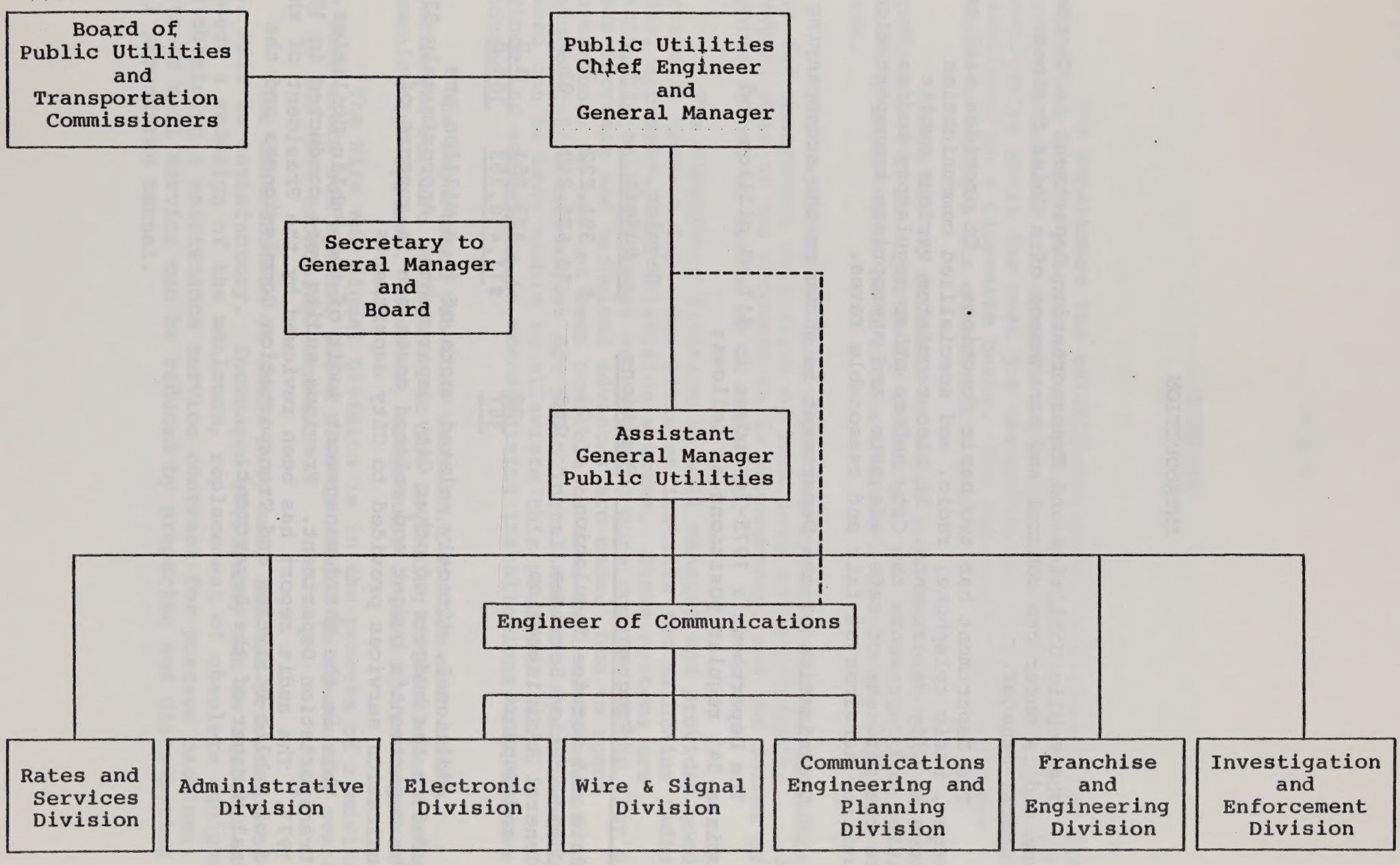
Board of Public Utilities and Transportation Commissioners
Public Utilities Chief Engineer and General Manager
Secretary to General Manager and Board
Assistant General Manager Public Utilities
Engineer of Communications
Rates and Services Division
Administrative Division
Electronic Division
Wire & Signal Division
Communications Engineering and Planning Division
Franchise and Engineering Division
Investigation and Enforcement Division

INTRODUCTION

The Public Utilities and Transportation Department is Charter created and is under the control and management of a Chief Engineer and General Manager.

The Department has two basic functions. It provides mail and messenger, basic telephone, radio, and specialized communication services to City departments. It also regulates various public utilities and represents the City before other regulatory bodies to assure the citizens of safe, adequate, and appropriate transportation and utility services at fair and reasonable rates.

Organization of the Department is shown on the accompanying chart.

The Department's 1975-76 Budget is $11.45 million and authorizes 341 regular positions as follows:

Program	Positions	Regular Budget	%
Rate and Service Regulation	21	$ 391,222	3.4
Communication Services	288	10,635,210	92.9
General Administration and Support	32	423,951	3.7
	341	$11,450,383	100.0

Additional, directly related costs of $1.4 million are included in the budgets of other City departments. Approximately 97% of the Department's budget and related costs are in support of communication services provided to City departments.

This is the third management audit of the Public Utilities and Transportation Department. Previous audits were conducted in 1963 and 1971. The audit report has been reviewed by the President of the Board of Public Utilities and Transportation Commissioners and the General Manager of the Department.

SUMMARY

The Department has established quantitative goals for its affirmative action program which appear reasonable in light of limited personnel turnover and extensive job specialization. The five-year quantitative goals for most job categories are in line with those established on a City-wide basis. The Department has an action program to achieve its quantitative goals.

There are no criteria by which telephone service needs in departments can be objectively evaluated, and personnel in the operating departments have little incentive to control telephone costs.

The Department's time reporting system provides considerable data for management evaluation of work load and productivity. However, some of the information is unnecessary, and the format of reports is not as useful as it could be.

The Electronic Division is well managed and provides good service 24 hours a day. The Division installs and maintains radio, radar, microwave, and television systems. These systems are continually being expanded and becoming more complex as the City's needs increase and technical advances are made. Due to space limitations, it has not been possible to take full advantage of production-line techniques for radio installations. Space recently leased can be made usable to alleviate this problem. Also, engineering assistance in standardizing installations will improve production.

The Department provides excellent service when user departments request assistance at the beginning of development of new communication systems. However, assistance is not always requested.

The Wire and Signal Division is in the process of removing the fire alarm box system, but a plan is needed to remove the overhead wire in the most economical manner.

The distribution of intra-City mail and the processing of U.S. Mail is satisfactory. Increased efficiency can be achieved through a redesign of the mailroom, replacement of obsolete equipment, and obtaining a maintenance service contract for postage machines. Costs of mail service can be reduced by preparing and distributing a mail procedures manual.

RECOMMENDATIONS

That the Public Utilities Chief Engineer and General Manager:

1. Instruct the Engineer of Communications to:

   a. Establish written telephone service standards which can be used by City departments and staff of the Department of Public Utilities and Transportation to evaluate requests for service modifications and expansion.

   b. Allocate one or two man days each month to help supervisors in the user departments review and evaluate telephone bills for the purpose of controlling abuse and reducing service where possible.

   c. Prepare a memorandum to City departments which will:

      (1) Explain the magnitude of rise in the cost of telephone service.

      (2) Reiterate City policy regarding the use of telephones for personal business.

      (3) Emphasize the responsibility of departments in controlling telephone costs.

      (4) Indicate the intent of Department staff to work with operating departments in controlling telephone use and reducing service wherever possible.

2. Instruct the head of the Administrative Services Division to review current requirements for the Department's work reporting system and request the Data Service Bureau to implement necessary program modifications.

3. Instruct the Investigation and Enforcement Division to increase the number of nighttime taxicab service level checks and vehicle maintenance inspections.

4. a. Request the Board of Public Works to expedite the lease of the parking lot on Crocker Street.

   b. Submit an interim alteration and improvement request to make the parking lot on Crocker Street usable for the purpose for which it is being leased.

5. Assign the Engineering and Planning Division to assist the Electronic Division in standardizing radio installations.

6. Request the heads of all departments using the services of the Department of Public Utilities and Transportation to request technical advisory assistance during the development of any new communications systems or the modification of existing systems.

7. a. Instruct the Engineering and Planning Division to prepare a plan for the removal of the overhead wire from the fire alarm box system in the most economical manner.

   b. Instruct the Engineer of Communications to implement this plan.

8. Request assistance from the Board of Public Works in preparing a functional design of the mailroom.

9. Request the immediate replacement of the mail sorting and filing equipment.

10. Assign the Mail and Messenger Supervisor the task of preparing and distributing a basic mail procedures manual.

Implementation of these recommendations which are estimated to result in more than incidental savings or costs are:

Recommendation No.	Cost	Savings
1a	$ 500 (1 time)	)
1b	1,700 (annual)	) $50,000 (annual)
1c	100 (1 time)	)
2	700 (1 time)	
4b	500 (1 time)	
7		50,000 (1 time)
9	3,000 (1 time)	
10		10,000 (annual)
Totals	$4,800 (1 time)	$50,000 (1 time)
	$1,700 (annual)	$60,000 (annual)

STATUS AND EVALUATION

Affirmative Action Program

Overall representation of minorities and women in the Department compares favorably with the situation City-wide, especially in the Technical and Skilled Craft Categories. The number of Blacks, Spanish Surnamed, and Women in the Professional Category is low, due to infrequent turnover and a lack of available qualified candidates.

The Department has no women employed in the Skilled Craft Category, and at best hopes to add one female by 1980. The underemployment of women in these jobs, traditionally dominated by men, is common throughout the City.

The Department's five-year quantitative goals are essentially in conformance with those established City-wide, with one notable exception. The 1980 goal for women in the Professional Category is 8.3 percent of the work force, whereas the City-wide goal is 21.3 percent. Management has agreed to review and perhaps raise expectations in this category to a level more in line with the City-wide goal.

The Department has established basic elements of an Affirmative Action Plan, required of all City departments in order to meet quantitative affirmative action goals. Responsibilities of supervisors and other employees have been defined in writing, management level meetings have been held to emphasize commitment to the Program, a discrimination complaint review process has been outlined, and employees are kept abreast of policies and other pertinent Program information through Departmental bulletins and periodic meetings.

A Senior Administrative Assistant has recently been assigned as the Department's Affirmative Action Coordinator. On affirmative action matters, he reports directly to the Assistant General Manager. The Department is doing a good job of shaping a viable program from one that until March of 1975 had been incomplete and unimaginative.

The Coordinator has established an exit interview questionnaire and procedure which should be useful in gathering information on the progress and problems of the Department's affirmative action program. The Personnel Department is considering

the use of some aspects of this questionnaire in promoting exit interviews in other City departments.

The Coordinator has also requested that the Personnel Department provide him with the specifications for classes of positions within the Department so that unnecessary requirements for these positions can be reviewed and possibly eliminated in future examinations. The Department has provided some internal training for employees to improve their upward mobility. Classes have been taught covering technical aspects of jobs in the Electronic and Wire and Signal Divisions. Some job rotation is practiced in the Electronic Division and the Radio-Telephone Section. The Department maintains that, "In most other employment categories within the Department of Public Utilities and Transportation, job rotation is strictly limited due to the specialized nature of most jobs." However, it appears that more opportunities for job rotation exist and should be thoroughly investigated. For instance, Electrical Engineering Assistants, who analyze operating department requests for telephone service, should be given an opportunity to rotate to other assignments more representative of this class so they can compete effectively in promotional examinations. When an employee is rotated from one specialized job to another, the Department is likely to incur reduced productivity for the period of time required by the employee to learn his new job. However, in the long run productivity should not suffer greatly, and the upward mobility of employees would be greatly enhanced.

Electronic Division

The Electronic Division installs and maintains: mobile, portable, and permanent radio, radar, and microwave communications systems; television systems, including commercial receivers, closed circuit surveillance systems, and video tape training systems; and special surveillance, detection, and alarm devices for all departments except the Department of Water and Power.

The Division provides service 24 hours a day, seven days a week. This service includes drive-in repair at two facilities, one in downtown Los Angeles and one in the Valley. In addition, maintenance technicians are on duty at all times and can be dispatched by radio to make emergency repairs. A Helicopter Service Section provides service at the Van Nuys Airport and the City's Glendale Heliport facility.

The Division monitors communications systems and provides dispatching service to some departments during early morning hours when the main dispatching center is closed. During these hours, the operations center receives, relays, and records messages and calls for radio field units for various departments.

The Division is well managed and provides good service on a reasonably timely basis. The communications systems are expanding and becoming more complex each year as demands increase and technical advances are made in the state-of-the-art.

During the 1974-75 Fiscal Year, some 5,700 mobile radios were installed in new vehicles or removed from old vehicles. Installations are done at the San Pedro Street facility and require a day shift and a night shift. There is not enough space to do all removals there so employees travel to various locations to do most of this work.

Due to space limitations, it has not been possible to take full advantage of production-line techniques. Because of lack of parking, vehicles are brought to the shop by using departments. The Division has little control over its work flow and receives a continuous mixture of different jobs. This does not permit the efficiency which would be possible if enough vehicles were available to allow repetitive assignments so that employees could increase their proficiency or install more production-line techniques. A lot across the street from the shop is being used for parking even though the lease has not been finalized. However, it has not been used for storage of vehicles because of a lack of security. See Recommendation No. 4.

To improve the installation of mobile radios in vehicles, the Division develops standard installations for various types of vehicles and radios. Since there are numerous combinations of vehicles and radios, and these are continually changing, standardization requires almost continuous effort. The Division should take advantage of the engineering ability available in the Department for assistance in standardization. See Recommendation No. 5.

Communications systems are purchased by some departments and then turned over to the Department of Public Utilities and Transportation to maintain. When the Department has an opportunity to assist the user from the beginning of development, it is able to provide excellent service. However, this is not always done, and the Department is not consulted until it is too late to make significant changes. Systems have been turned over to the Department which do not meet operational needs, do not include spare parts, and do not include test equipment for proper maintenance. See Recommendation No. 6.

Wire and Signal Division

This Division consists of two sections; Inside Plant Construction and Maintenance, and Outside Plant Construction and Maintenance. A major project of the Inside Plant Construction and Maintenance Section has been the maintenance of the Fire Department's Fire Command and Control System. Many problems have arisen in connection with this System and all departments involved, including the City Administrative Officer and the City Attorney, are working toward a solution.

As part of the 1975-76 Budget, a determination was made to eliminate the City's fire alarm box system. However, it did cause additional work in that the overhead cable of the system must be removed according to State General Orders, although the State does not mandate a time for its removal. A plan should be prepared so that cable can be removed in an orderly manner, with a definite termination date, so that field forces can be reduced at that time. See Recommendation No. 7.

Public Utility Regulation

The Department regulates certain utilities and public transportation services which operate under various franchise agreements and permits issued by the City. The degree of control exercised over service levels, rates, and other operating procedures varies, and is specified under terms of each franchise, or operating rules established by the Board of Public Utilities and Transportation Commissioners.

One of the newest services to come under franchise authority of the City has been community antenna television (CATV). There are four such franchises in force, and the Department anticipates considerable growth in this activity. A consultant has been hired to work with the Department and a number of citizen advisory committees to develop a proposed "master plan" for future CATV services and regulatory provisions.

Taxicab companies franchised by the City are required to provide a consistent level of service and maintain their vehicles in safe operating condition. The Investigation and Enforcement Division

spot-checks service levels and vehicle maintenance to assure that the companies comply with terms of their franchise agreements and Orders of the Board of Public Utilities and Transportation Commissioners.

Inspectors are authorized a night rate premium for this activity since the cab companies operate around-the-clock. However, except for a special investigation being conducted at the time of the audit, the Division has only made use of the night rate on only one occasion since October, 1974. Taxi drivers with the least seniority are assigned to work nights, and their performance should be periodically checked to give a truly representative sample of overall service levels. Further, since fewer cabs operate at night, maintenance inspections could be more efficiently conducted while most cabs are garaged. See Recommendation No. 3.

Service complaints from the public are investigated, and in 90 percent of the cases, complainants are advised within two weeks of the findings and recommended remedial action.

In 1974-75, the City received $2.6 million in fees related to the Department's franchising activities. Franchise payments are audited periodically by the Administrative Division.

Communications Engineering and Planning Division

The major functions of this Division are: the conceptual design of communications systems and development of major projects, including necessary liaison with user departments, design of wire and signal systems; design, construction, and installation of fixed electronic equipment and systems; and provision of appropriate telephone equipment and systems for City departments.

The Division provides technical advice to the Communications Advisory Committee which is responsible for reviewing and approving all requests for new, expanded, or otherwise changed communications services or systems. This Committee, established by Executive Directive No. 13, is chaired by the City Administrative Officer and includes the heads of the Departments of Traffic, Police, Fire, and Water and Power; a member of the Board of Public Works; two members of the City Council; and a representative of the Mayor's Office. New systems and installations are approved by the Committee before their final design and implementation. Upon its final review and recommendation, communications projects are considered for financing

in the appropriate departmental budgets. Staff members give technical advice on communications matters to departments upon request. As previously noted, this service could be improved if the departments would request assistance as early as possible in planning for communications.

Mail and Messenger Service

The mail and messenger service for most City departments is the responsibility of the Administrative Division and is well managed. Both the mail and the messenger service work from space assigned in City Hall. Additional space has been assigned to this function, but is not being utilized pending alterations by the Bureau of Public Buildings.

It is possible to increase the efficiency of processing both U.S. Mail and intra-City mail by redesigning the total space allocated. A redesign should eliminate congestion occurring toward the close of the business day at the public counter. Enlarging the mail sorting area should also be considered. See Recommendation No. 8. The mail sorting cabinets are too small for efficient mail processing and should be replaced. Filing equipment is obsolete and should also be replaced. See Recommendation No. 9.

A simple mail procedures manual should be prepared and distributed to each City department or agency. This manual should cover basic mailing procedures and the cheapest way to accomplish the City's mailing such as the difference between certified mail and registered mail and when to use lower class mail rather than first class. The manual should also cover intra-City mailing as well as U.S. Mail. See Recommendation No. 10.

Telephone Service

The cost of providing telephone service to City offices and facilities in fiscal 1975-76 will be $5 million, an increase of 12 percent or $1/2 million over last year. Costs have continued to rise,

primarily due to the constant demand for expanded service and rate increases. The number of telephones in use has grown an average of 10 percent each year since 1973, and more in those departments which have added substantial staff through CETA, other Federally sponsored programs, and expanded City-funded activities. Each telephone represents a fixed monthly cost for the instrument, as well as variable message units and toll charges, and adds to the demand for more tie-lines and trunk lines. Telephone equipment is also being used increasingly by departments for the transmission of data to and from computers.

Telephone service is necessary for the conduct of City business, and as such, its cost can be expected to rise with the growth of activities and personnel. Even so, there are several policy and procedural actions which can be taken by the Department of Public Utilities and Transportation and other City departments to keep telephone costs down.

Each year, departments submit between 1,500 and 2,000 requests for modified or additional service. Individually, these requests do not involve large amounts of money, but in the aggregate they add significantly to the telephone bill. There are no written guidelines or standards by which the need for service in each case can be judged. Departments often request specific telephone features based upon their own perception of need, without regard to less expensive and equally suitable alternatives. Without standards, Department technicians assigned to evaluate requests must rely upon their persuasive ability to convince departments to accept less costly alternatives. A series of guidelines can be developed to indicate service levels for most office situations based upon the level of personnel to be served and the duties to be performed. Guidelines similar to those developed in connection with the assignment of office space would help operating departments and staff of the Department of Public Utilities and Transportation to evaluate service needs from an objective viewpoint. See Recommendation No. 1a.

At the beginning of the fiscal year, a budget is established for telephone service changes, based upon requests submitted by each department. However, during the year there are frequent personnel changes, office relocations, new programs, and other contingencies which make it difficult to control costs. Staff of the Department is trying to develop a cost accounting system by which service limits based upon available funding can be established for each department. Perhaps this will encourage departments to anticipate and establish priorities for their telephone service needs.

Once a telephone is installed, the cost of its use in terms of message units and toll calls is the responsibility of the department served. Toll slips and bills for private lines are

referred to the departments for review and certification by supervisors that calls were for City business. A record of message units charged against each telephone within a department is also available. The review of bills can be time-consuming and may require supervisors to confront employees who abuse the use of City telephones. Since the cost of telephone service is not charged against the budget of user departments, there is little incentive for supervisors to take this responsibility seriously.

Staff of the Department of Public Utilities and Transportation should do more work with departments and encourage supervisors to review bills for possible service reductions where there is an indication that telephones are abused, not being used, or there are erroneous charges by the Telephone Company. A memorandum should be issued to all departments indicating the rising cost of telephone service, the responsibility of users in controlling costs, and the intent of Department staff to work with supervisors in reviewing telephone bills and changing service needs. See Recommendation Nos. 1b and 1c.

Significant savings can be realized by providing direction and assistance to user department's controlling telephone costs. Even a 1 percent reduction in the City's overall expenditures for telephone service would result in annual savings of $50,000.

Work Reporting System

The Department has an automated work reporting system which was developed several years ago to provide productivity data and backup details for billings on reimbursable work.

One of these reports, produced thirteen times-a-year is in excess of 500 pages. It provides unnecessary detail and is cumbersome and difficult to use. In April, 1973, the Department requested the Data Service Bureau to modify this report program so that it would be more useful and its size would be reduced by approximately 80 percent. At the time of the audit, this change had not been implemented.

Other reports generated by the work reporting system appear to provide duplicate and, in some cases, unnecessary information for purposes of management review. Now that the Department has had several years of experience with the system, special effort should be given to a complete review and perhaps modification of the system requirements to provide more useful data. See Recommendation No. 2.

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